FROM THE DESK OF THE CEO (43/16)

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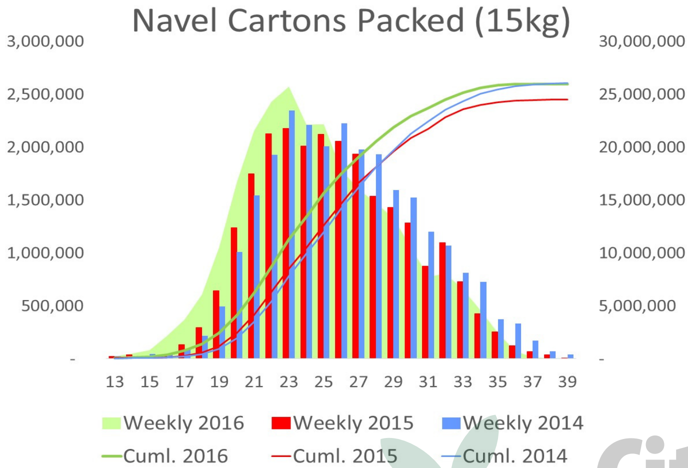
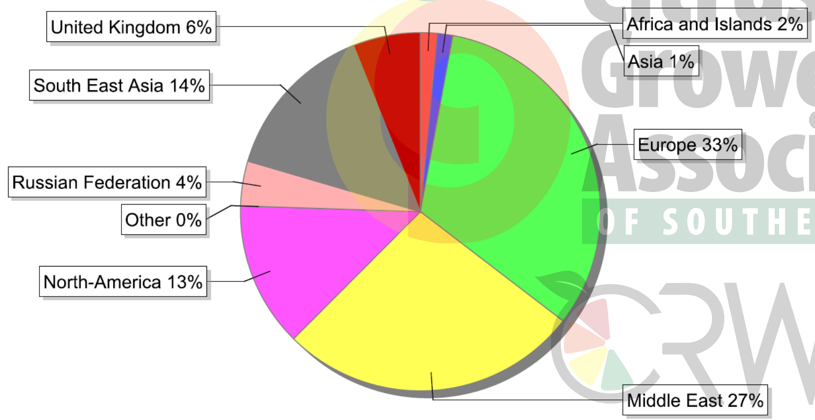
Justin Chadwick 11 November 2016

"Progress is impossible without change, and those who cannot change their minds cannot change anything" George Bernard Shaw

SEASONAL REVIEW: NAVEL ORANGES



Initial estimates put the navel orange packed for export figure at just over 25.1 million cartons – well below 2014 (26 m) but above 2015 levels (24.5 m). Good markets and better packouts resulted in the final packed for export figure being well above estimate (26.2 m) – a record navel season. The season was characterised by an early start and early finish – packing was impacted by creasing; while packhouses did not suffer rain delays.



In percentage terms the distribution of navel oranges almost mirrored 2015 – mainland Europe continued to grow to 8.3 m cartons (33%) – 2015 7.3 m (32%). Middle East also saw significant growth from 5.8 m cartons (25%) to 6.9 m (27%). South East Asia remained at 14% market share (in carton terms increased from 3.2 to 3.7 million). North America remained at 13% market share with cartons received increasing from 3 to 3.3 million. Russia and UK experienced decreased volumes – UK decreased from 1.7 m (7%) to 1.5 m (6%), while Russia decreased from 1.4 m (6%) to 1 million cartons (4%).

CITRUS SUMMIT 2017: 8-9 MARCH 2017: PORT ELIZABETH (THE FRIENDLY CITY)

The change in fortunes of grapefruit exporters in recent years, and the expectation of big increases in soft citrus and lemon export volumes over the next ten years will be one of the focus areas for discussion at the 2017 CGA Citrus Summit. The Lemon, Grapefruit and Soft Citrus Focus Groups have all applied their minds to these changes and have developed strategies to meet these challenges. A complete session will be allocated to this subject – there will be presentations on these groups' plans going forward, and ample time for discussion and debate on the way forward. This discussion will impact positively on all those involved in the southern African value chain – the CGA encourages all of you to be part of the discussion.

With just over a month since registrations opened roughly 20% of the seats are filled; please register now at www.cga.co.za and ensure that you are part of the future plans for the southern African citrus industry.

CLIMATIC CONDITIONS IN SOUTHERN AFRICAN CITRUS REGIONS

On Monday (7 November) the Tzaneen dam was 15.8% full (or to put it more succinctly 84.2% empty). Reports from yesterday and today are that good rain has fallen in Letsitele and Hoedspruit. The Crocodile River that supplies water to the Mpumalanga region has made an amazing recovery and is flowing strongly. Those who live in Joburg will attest to the devastating downpours that have flooded roads and caused wanton destruction. Once again the weather forecasters got it right – some time ago they predicted heavy rains and possible flooding in early summer. John Edmonds (CGA Information Manager) updates dam levels (applicable to the citrus industry) and rainfall from the regions on a weekly basis. Contact him for more information (johne@cga.co.za).

SOUTHERN AFRICAN CITRUS GROWERS FUND THEIR FUTURE THROUGH THE CGA GROUP (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY AND CITRUS ACADEMY)